

## Commentary...

# Rebuttal to North Hill Committee Assumptions

By CHARLES KANE

The AdHoc North Hill Golf Committee presented their assumptions to the Duxbury FinCom/Fiscal Advisory groups last Tuesday evening. In contrast to what was stated by the AdHoc committee to be conservative estimates about costs, revenues, and the level of play at an expanded North Hill course, we would like to point out some statistics that should create a serious level of doubt about the financial "sure thing" being promised to the taxpayers by this committee. Let's ask some questions:

1. Would you, the taxpayer, invest your money in a business that, according to the National Golf Foundation, is prone to recession?

During the best economic years of 1986-1990, golf saw only a 4.2% growth in the customer base (the golfer) and a decrease in the number of rounds played per customer (the revenue source).

AdHoc Assumption: Golf is a rapidly growing sport with no end in sight.

Conclusion: We are being asked to buy into estimates by this committee which are extremely aggressive when compared to national estimates for golf play in general.

2. Would you, the taxpayer, be comfortable investing in a business where the market area (towns around and including Duxbury) had fewer customers (golfers) per population unit than the national average and more competition (other courses) per population unit than the national average?

According to the National Golf Foundation, the national average of golfers per 100,000 people is 11.9%; the Massachusetts average is 11.7%. Numbers of annual rounds played per golfer nationally is over 20; in Massachusetts, 18. The number of public golf holes available per 100,000 people nationally is 38.9. In the greater Duxbury area, 100 public golf holes are currently available. This is 2-1/2 times more holes per 100,000 people than the national average per golfer in an area where golfers already play fewer rounds than the national average.)

AdHoc Assumption: There are currently not enough holes in our area to meet demand.

Conclusion: The AdHoc Committee's estimates of future revenues and potential profit from an expanded course ignores some very ominous competitive trends emerging in the southeastern Massachusetts golfing industry.

3. Would you, as taxpayers, invest in a business that draws cost estimates from only one source, disregards higher prior cost estimates, and by law is mandated to use union (i.e., high cost) labor?

AdHoc Assumption: The committee projected to FinCom/Fiscal Advisory a per hole cost of construction

Duxbury Clipper, Wednesday, March 1, 1995

of less than \$100,000 per hole (\$834,000 for 9 holes) for course clearing and layout. According to other municipal course construction experts, the cost for clearing and layout should be somewhere around \$150,000-175,000 per hole as a general rule. The figures for last year's proposed golf course expansion, presented at the 1994 town meeting and defeated by the voters, more closely approximated these higher figures.

Conclusion: We are being asked to fund with real dollars a business plan providing cost estimates that any prudent business person would consider preliminary at best. The discrepancy between the 1994 and 1995 estimates for a proposed 9 hole expansion underscores the need for a more expansive study utilizing more than one contractor's estimates to help reconcile these differences.

4. Would you, as taxpayers in a management that has been repeatedly questioned by various town boards involved with North Hill as to the proper financial structure between that management and the town?

Given the past controversy of North Hill's current management, would you trust your selectmen to make the right management decisions?

AdHoc Assumption: Even this committee stated the management arrangement of the golf course is not in their domain. The AdHoc Committee has no management plan and feels it is the selectmen's responsibility to determine the logistics of such a plan.

Conclusion: We are being asked to invest money in a business without a management plan. Anyone who has ever run a business knows that good management is the most critical aspect of consistent profitability.

—  
We believe that these and other questions about the AdHoc Committee's plan and process raise legitimate doubts about the long-term viability for this expansion to be a money-maker for the town. Perhaps the most telling statement about the risk in the golf course business came last week from the head of the Professional Golf Assn, when he stated on national television that the largest owner of golf courses in the country is the Resolution Trust Co., a government agency created to bail out foreclosed properties from banks during the recent savings and loan debacle. Unfortunately, we won't be able to give an expanded North Hill golf course to the RTC if it loses money. We'll be paying for it ourselves for years.

Vote NO on the article for an expanded North Hill Golf Course on March 11.